DRAFT ONLY

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Mr. Peter Schmid F.X. Schmid Vereinigte Muenchener Spielkarten-Fabriken GmbH & Co. K.G. Bachstrasse 7 D-8210 Prien am Chiemsee

September 10, 1992

CLASSIC / SUPER TRUMPS playing cards featuring the MARLBORO and RED ROOF design trademarks

Dear Mr. Schmid,

I am writing to you subsequent to our U.K. solicitors, Clifford Chance's, recent intervention with Child's Play (International) Ltd. on the above referenced subject (copy of their August 3, 1992 letter enclosed herewith for ease of reference - encl. 1). As you will see from the attached copy of Child's Play's August 14, 1992 response to Clifford Chance (encl. 2), they are desirous of reaching an amicable settlement to the matter in question.

The appearance of cigarette trademarks on products destined to youth is of particular concern to Philip Morris for the reasons stated in our solicitor's letter to Child's Play. Mr. Twinn's proposal of substitution of a neutralised version of the McLaren Formula 1 racing car livery deals satisfactorily, from our point of view, with the cars featured on two specific cards (namely Nos. 1A and 3C). This solution does not however address our concerns about all other mentions of MARLBORO and/or the RED ROOF design (be they on vehicles, helmets or track signage) on several of the cards comprising the CLASSIC/SUPER TRUMPS RACING game (encl. 3 refers). Note that consent of the various vehicle manufacturers may also be required in all these instances.

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We must accordingly insist upon your removing all references to MARLBORO and the RED ROOF design from the cards forthwith and on your signing and returning to us the enclosed undertaking thereby acknowledging your willingness to settle this matter.

We must furthermore ask you to please furnish us with details of the extent of your stock of the CLASSIC/SUPER TRUMPS RACING game so that we can decide how best to deal with this aspect. In addition, would you please advise whether you are the sole publisher of these cards, whether the game is published in languages other than English and whether the Child's Play organisation is your exclusive distributor for this game throughout the world. In the event you are not the sole publisher or that Child's Play is not your sole distributor, would you please supply us with particulars of other parties dealing in this game.

We look forward to receipt of your response to this letter by September (14 days from date of letter), 1992, failing which we reserve the right to take whatever further steps we deem appropriate.

Yours faithfully,

Jean Bangerter
Manager Trademark Administration

Encls.

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cc: Clifford Chance, Child's Play, GB

bcc: AMP

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